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MATRIX INDEX OF INCOME VARIETIES OF INDONESIAN LABOR FORCE AND ITS APPLICATION IN INDONESIA

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ABSTRACT

Matrix Index of Income Varieties (MIVP) is an index, which is developed from the variety co efficiency and statistic χ^2 so that it will produce output totally as shown by Index of Williamson/Theil, as regionally as Index of Theil, sectorally as Index of Gini. Besides, Matrix Index of Income Varieties (MIIV) is able to identify which individual/sector/region influence the draw of income inequalities above or below the average. In application, MIIV will produce a maximal outcome if it is combined with Labor Force Productivity Index.

The outcome of MIIV/MIVP in Indonesia shows that the high-income inequalities in Indonesia are influenced by the contribution of regional economy, regional labor force contribution, the characteristic of regional economic sector, and regional potentials of each province.

Keywords: income distribution, total, region, sector, regional sector

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